

ASSEMBLY BILL

No. 858

Introduced by Assembly Member Spitzer

February 22, 2007

An act to add Section 17740 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 858, as introduced, Spitzer. Crime victim trusts.

The Personal Income Tax Law imposes taxes upon the income of a trust in the same manner as upon the income of individuals.

This bill would exempt from the taxes imposed by that law the income of a crime victim trust, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17740 is added to the Revenue and
2 Taxation Code, to read:
3 17740. (a) Notwithstanding any other provision of this part to
4 the contrary, the income of a crime victim trust shall be exempt
5 from the taxes imposed by this part.
6 (b) For purposes of this section:
7 (1) "Crime victim trust" means a trust established solely for the
8 benefit of a crime victim or a crime victim's family member.
9 (2) "Crime victim" means an individual who sustains physical
10 injury or death as a direct result of a crime.

1 (3) “Crime victim’s family member” means a crime victim’s
2 parent, grandparent, sibling, spouse, child, or grandchild at the
3 time the crime is committed.

4 (c) Income from the trust shall not be exempt from tax under
5 this section if the crime victim was not a resident of this state at
6 the time the crime was committed.

7 (d) Any income earned by the trust shall not qualify for the
8 exemption authorized by this section if it is distributed to any of
9 the following:

10 (1) A crime victim’s family member who was not a resident of
11 this state at the time the crime was committed.

12 (2) A crime victim or a crime victim’s family member who
13 knowingly or willfully participated in the crime or failed to
14 reasonably cooperate with a law enforcement agency in the
15 apprehension or conviction of the criminal that committed the
16 crime.

17 SEC. 2. This act provides for a tax levy within the meaning of
18 Article IV of the Constitution and shall go into immediate effect.